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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 5, 1988

TO: Board of Oil, Gas and Mining

THRU: Kenneth E. May, Associate Director, Mining *LOB KEM*

THRU: Lowell P. Braxton, Administrator

FROM: Holland Shepherd, Reclamation Soils Specialist *HWS*

RE: Request for Board Concurrence on Form and Amount of Surety for the Transfer of Atlas Minerals Mines to UMETCO Minerals Corporation, Rim-Columbus Mine, M/037/006, Pandora Mine, M/037/012, Calliham Mine, M/037/023, Velvet Mine, M/037/040

UMETCO Minerals has agreed with Atlas Minerals to assume four sites: The Rim-Columbus Mine, the Pandora Mine, the Calliham Mine, and the Velvet Mine. All four sites are currently covered by a Board Contract with Atlas. All four of these sites are over 5 acres and, therefore, require bonding.

UMETCO Minerals has submitted the attached bonding and permit transfer information for Board approval. Two of the bond estimates for the Calliham Mine and the Rim-Columbus Mine, are less than the original and are based on reevaluated estimates developed by the Division last summer (see attached estimates). The Calliham Mine used to include the Sage Mine. The Sage was recently transferred to Butt Mining Company as a Small Mine.

We have waived the requirement for a Reclamation Agreement (Form MR-RA) required under item #4 of the permit transfer form. These forms were not ready at the time the operator submitted this information. When these forms are ready for general distribution, we will ask the operator to fill them out for the mines discussed above.

jb
Attachment
MN4/65